

Below is an order of the court.


TRISH M. BROWN
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re

Western Communications, Inc.,

Debtor.

Case No. 19-30223-tmb11

**ORDER (I) AUTHORIZING SALE OF
DEBTOR'S ASSETS FREE AND
CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES, AND OTHER
INTERESTS; AND
(II) AUTHORIZING PAYMENT OF
BREAKUP FEE**

On June 28, 2019, Western Communications, Inc., Debtor and Debtor-in-Possession ("Debtor") filed its Motion for Authority to Sell Property Free and Clear of Liens [ECF No. 182]. On July 22, 2019, Debtor filed its Notice of Overbids and Auction (Bend Bulletin) [ECF No. 205]. On July 29, 2019, Debtor conducted an auction for the assets consisting of all personal property being used or held by Debtor in the operation of Debtor's newspaper businesses located in Bend, Oregon ("The Bulletin") and in Redmond, Oregon ("The Redmond Spokesman") (the "Assets"). At the hearing on July 29, 2019, Debtor announced that East Oregonian Publishing Company ("East Oregonian") was the highest and best bidder at the auction, with a bid of \$3,650,000, and a hearing was scheduled for August 19, 2019 to consider the request of Rhode Island Suburban Newspapers, Inc. ("RISN") for a breakup fee and to hear

Page 1 of 4 - ORDER (I) AUTHORIZING SALE OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; AND (II) AUTHORIZING PAYMENT OF BREAKUP FEE

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and consider any issues with respect to the order authorizing the sale of the Assets to Eastern Oregonian. The Court held the hearing on August 19, 2019 and heard and considered the submissions and arguments of counsel and the files and records herein. Now, therefore,

IT IS HEREBY ORDERED that:

1. Debtor is authorized to sell the Assets to Central Oregon Media Group, LLC, as assignee from East Oregonian, in exchange for the payment of \$3,650,000 pursuant to the terms of the Asset Purchase Agreement (“APA”) for the Assets attached as Exhibit A to the Notice filed herein on July 22, 2019 [ECF No. 205].

2. The sale of personally identifiable information shall be subject to and consistent with Debtor’s privacy policy and Central Oregon Media Group, LLC shall comply fully with all such privacy policies.

3. The sale to Central Oregon Media Group, LLC shall be free and clear of all liens, claims, encumbrances, and interests, with any and all such liens, claims, encumbrances, and interests attaching to the sale proceeds.

4. Except as set forth in paragraph 2 of this Order, Central Oregon Media Group, LLC shall have no liability or responsibility for any liability or other obligation of Debtor other than as expressly set forth in the APA, and Central Oregon Media Group, LLC will have no successor liability.

5. The sale proceeds will be distributed as follows:

- a. \$67,500 to RISN for the breakup fee;
- b. \$40,000 to Dirks Van Essen Murray & April consistent with the terms of the Order Authorizing Employment entered on February 28, 2019 [ECF No. 87];
- c. To the payment of all unpaid wages, salaries, compensation, and, to the extent not assumed by Central Oregon Media Group, LLC, all accrued and unpaid vacation and personal days for employees whose employment is terminated prior to the close of the sale transaction authorized by this Order;

- d. To payment of all personal property taxes owed by Debtor to Deschutes County;
- e. To payment of unpaid accounts payable incurred by Debtor in the ordinary course of operating its newspaper businesses from the Petition Date through August 31, 2019;
- f. To payment of additional closing costs, including \$36,500 for bankruptcy fees payable pursuant to 28 U.S.C. § 1930, and other closing costs to the extent such costs are usual and customary for a transaction of the kind authorized by this Order;
- g. \$300,000 to be held back by Debtor for payment of allowed professional fees and expenses; and
- h. All remaining proceeds to Sandton Credit Solution Master Fund III, LP (“Sandton”).

6. The foregoing distribution to Sandton is without prejudice to the right of Debtor to recover from proceeds of Sandton’s collateral the reasonable, necessary costs and expenses of preserving or disposing of such property pursuant to Section 506(c) of the Bankruptcy Code, and all such rights are preserved.

7. All stays, including, without limitation, those arising under Bankruptcy Rule 6004, are inapplicable, and this Order shall go into effect immediately upon its entry.

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I certify that I have complied with the requirements of LBR 9021-1(a).

Presented by:

TONKON TORP LLP

By /s/ Albert N. Kennedy

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